

HATHAWAY MERIT SCHOLARSHIP PLAN

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1. What is the Hathaway Scholarship Plan?

The 2005 Wyoming Legislature enacted by overwhelming House and Senate votes Senate File 122, a \$505 million Education Endowment Account: \$105 million for endowment chairs at the University and Community Colleges; \$400 million for merit-based student scholarships for post-secondary education in Wyoming.

2. Who is it for?

It is for Wyoming high school graduates who achieve good grades, acceptable college level entrance exam scores, and take college preparatory courses. It is named after former Governor Stan Hathaway. The Hathaway Scholarship Plan should be fully funded in the 2009 – 2010 academic years.

3. What are the next steps?

An eleven-member Scholarship Committee has been appointed to look at various merit scholarship programs (including those introduced into the 2005 legislative session) and make recommendations as to the costs (tuition, fees, etc) that can be sustained from the \$400 million endowment based on the high school GPA, ACT exam, core curriculum and other requirements/standards it recommends.

Their recommendations to the Governor, Joint Appropriations and Education Interim Committees are due by November 1, 2005, with modifications as necessary by November 1, 2006.

4. How did the Hathaway Scholarship Plan come about?

Wyoming's connection to the "Taylor Merit Scholarship Plan" began at the Wyoming Heritage Foundation's "*How Are the Children?*" public forum on November 18 and 19, 2004. Dr. James Caillier, former President of the Louisiana State Higher Education System, and now the Executive Director of the Taylor Foundation, spoke at a lunch meeting attended by more than 650 Wyoming business, political, local government, nonprofit, education and citizen leaders.

In the weeks that followed, a number of legislators requested bills to be drafted. First Lady Nancy Freudenthal asked the Governor's Office to invite Dr. Caillier to Wyoming to meet with legislators and others in mid-January. A subsequent visit at the Wyoming Business Alliance/Wyoming Heritage Foundation's request occurred in late February.

5. What is the Taylor Plan?

The Louisiana Taylor Plan is an opportunity and a right to "earn" post-secondary tuition for any high school graduate who maintains a 2.5 GPA, takes a core college preparatory curriculum, scores the state average on the ACT test and does not have a criminal record . . . essentially standards to do well in college.

It is available for four years of college providing the student does well in higher education (2.3 GPA for first year and 2.5 at the end of all other academic years).

Eligibility in Louisiana's TOPS (Tuition Opportunity Program for Students) as it is called there, is for the same state four and two year institutions, technical schools and private schools. This uniform policy minimizes parent and student confusion; it allows for one application across the board for all post-secondary schools.

6. Why are there three awards with the Louisiana Taylor/TOPS program?

The program is incentive based . . . the harder a high school student works, the better the grades, and a better chance for a greater reward. The initial scholarship – the **Opportunity Award** – is for a 2.5 GPA, core curriculum of 16.5 units and an average ACT score of 20. The **Performance Award** is for a 3.5 GPA and ACT of 23, and gives, in addition to tuition, a \$400 stipend. The **Honors Award** is for a 3.5 GPA and 27 ACT score. It includes an \$800 stipend as well as tuition.

7. What is the core philosophy?

To succeed, as in business, you have to work hard. If students want and choose to take advantage of free tuition for college, they have to "earn it" by taking college preparatory courses and maintaining a 2.5 GPA – all keys to scoring above average on the required ACT (National Standardized Test) and being prepared by virtue of high school courses taken to do well in college.

TOPS assumes that every child can learn and succeed – that given the incentive (free tuition), students will voluntarily, on their own, study hard. They will recognize that they can look beyond being a dropout or a high school graduate because they can go to college and have a better life. Simply put, they get to think beyond high school and realize that high school is not an end to their education.

8. Why merit based versus need based?

Nationally, the percent of high schoolers going to college is 57%, but only half of these (52%) actually complete a bachelor's degree in six years. Many of the students who fail to complete their college education are the recipients of federal need-based financial assistance (e.g. Pell Grant) which are given to them with essentially no academic strings other than a high school degree. The problem with this is that just giving someone money without proper preparation is a prescription for failure, not success.

The Taylor Plan, as a merit-based program, demonstrates a much more different and positive story; 58% of the TOPS students graduated within six years versus 21% of the non-TOPS students. In Wyoming, the completion rate is 27% – lower than Louisiana's overall rate of 49% and the U.S. average of 52% (Note: in Wyoming, ranch and farm kids generally do not qualify for need-based assistance even though ranch income would clearly qualify. This is because the assets of the ranch are used to calculate need as well.).

To put it another way, for every 1,000 kids going directly from high school to college, in Louisiana and the U.S. on average, about 500 will graduate. In Wyoming, about half as many will graduate – 270.

9. Isn't the Taylor Plan both merit and need based?

Yes. Any student, regardless of family income, qualifies for the Taylor Plan provided they earn good grades, take the core curriculum and do above the state average on the national test. But there is much more. A seventh or eighth grader, or a high school student, is not challenged or motivated with a need-based program because those kids don't begin to apply for needs-based tuition assistance for college until their senior year in high school.

The Taylor Plan – merit based – challenges and motivates kids beginning in their freshman year of high school. The results have been better grades and better preparation for college. Plus – and this is an important key benefit – a student with financial needs in Louisiana based on federal guidelines, can get both their \$3,000 state TOPS tuition grant for academic performance, and federal assistance of \$4,000 with Pell grants for lower income individuals.

10. How many states have a Taylor-type tuition plan?

Twenty-one states, including Wyoming's commitment, have some form of the program. In 1989, Louisiana became the first. Their program, called TOPS is the most comprehensive. Because of its success, Louisiana, in 1997, eliminated all family income or need-based requirements believing that all students should have the right to "earn" merit-based tuition for four year post-secondary tuition scholarships. After all, it is the kids who are "earning" the scholarship, not their parents.

11. Who is the Taylor Plan named after?

In 1998, Patrick Taylor, a billionaire oilman from New Orleans, was asked to speak to 183 inner-city middle school kids in New Orleans. He asked them three questions:

1. "Would you like to go to college?"

All of the students raised their hands and said "yes";

2. "Can you go to college?"

Not one of them raised their hands.

3. He again asked, "How many of you would like to go to college if you could?"

All raised their hands and said "yes".

Mr. Taylor then promised each of those students that he would personally take care of their college education expenses if they would do four things for him: (1) maintain a 2.5 GPA; (2) score the state average on the ACT test; (3) take college preparatory courses; and (4) keep out of trouble.

In 1989, he approached the Louisiana State Legislature for state funding for the "earned" tuition program for graduating high schoolers to attend post-secondary schools in Louisiana – public and private tech schools, community colleges or four year institutions. In subsequent years, he personally championed the Taylor program in many states across the country.

In November, 2004, Mr. Taylor passed away due to complications from heart surgery. A man of humble background who attended Louisiana State University because it was the only school with free tuition, Mr. Taylor and the Taylor Foundation's legacy is focused on the importance of children, their education, and a productive work force for society.

12. What are Louisiana's results?

As required by law, TOPS gives an annual report to the Louisiana State Legislature. Their November 16, 2004, report includes the following longitudinal information:

- The number of first-time, full-time freshman between 1998 and 2003 increased by 10%, but the number of TOPS students (higher academic achievers) increased by 16% – all despite a higher ACT state average and a minimum 2.5 GPA for not just all courses, but the approved core curriculum;
- The number of high school graduates leaving Louisiana has declined by 13.5% (Note: 80% of out of state bound college students nationally do not return to their native states);
- The percent of TOPS students graduating in five years from college (four year institution) has increased and currently is 48% versus 16% for non-TOPS students; and
- At Louisiana State University (LSU – Louisiana’s flagship institution), 35% of incoming freshman in 1989 required remedial education. Today LSU offers no remedial education courses.

13. What are some of the benefits for the states with the Taylor Plan?

In Louisiana, the results, in addition to allowing students to pursue post-secondary education and completing four year college degrees, are:

1. Greater parental involvement – parents receive a letter from the state outlining the opportunity program. They sign a receipt acknowledging that they have received the letter. This letter is sent to parents of eighth and ninth graders. Those parents, in turn, have begun to track what courses their children are taking in high school – a much different scenario than in the past when many parents didn’t understand, or appreciate, the differences between general education and college preparation courses;
2. There is less truancy and increased high school graduation rates; there are also fewer drug and alcohol programs among teens;
3. All families benefit– the poor, the middle class and wealthy. There are no stigmas as to who gets the tuition assistance;
4. In Louisiana, all police cars have a TOPS decal on the back of the vehicles to promote the program; and
5. Today in Louisiana, there are 44,000 TOPS students in post-secondary education.

14. How does Wyoming compare to Louisiana and the nation?

Graduating high schoolers with college ready transcripts -

Wyoming - 33% Louisiana - 44% U.S. - 39%

High school graduates going directly to college -

Wyoming - 52%

Louisiana - 59%

U.S. - 57%

Completion Rate -- Bachelor degrees awarded in 6 years -

Wyoming - 27%

Louisiana - 49%

U.S. - 52%

15. Why was the need/income requirement removed in Louisiana?

When the caps were removed (Louisiana began initially at \$25,000, increased it to \$35,000 and then to \$65,000, and then finally removed it totally in 1997), the program became accepted state-wide for all students.

Prior to that, it had a stigma between the "haves and the have nots". Marketing information today about the program is much simpler – parents of every eighth and ninth grader statewide, in both public and private school, receive a letter from the state outlining the program's guidelines – and these parents sign a receipt acknowledging they have received the letters.

The program today enjoys great support statewide despite a state budget shortfall; 86% of the state's residents believe TOPS should continue.

16. Can Wyoming afford it?

A better question is how can we not afford it? Currently Wyoming lags behind the nation in terms of people aged 25 - 64 who have four year degrees or more. Wyoming also lags behind the nation in terms of high school seniors going directly on to college. Add to this a declining K-12 population, and Wyoming faces the daunting prospect of having fewer college graduates in the future compared to other states. Given the fact that 80% of those entering the workforce today will need post secondary education in a changing and progressive economy, Wyoming cannot afford to maintain the status quo.

17. Did the Taylor Plan faced opposition?

Yes, primarily by higher education.

According to Dr. Caillier, Executive Director of the Taylor Foundation and President Emeritus of the Louisiana Higher Education System, "Universities would prefer that the money for scholarships be given to them for distribution to students with financial need at the universities. If that is done, we change nothing. The Taylor Plan is designed to prepare students in high school for success in college. That is, to challenge them to take more rigorous courses in high school with the promise of state-paid college tuition for good performance in high school . . . The Taylor Plan is for kids, not administrators to hire more faculty or build more buildings.

But, also, K-12 administrations and teachers complained about having to offer courses like chemistry or physics, or foreign languages, or math beyond Algebra II where they had not done so in the past.

As parents become involved—understanding the core college preparation course work guidelines (Wyoming's "Success Curriculum")—they pressured the local school districts to set priorities and make the courses available.

18. What's the Bottom Line?

Across the state of Louisiana—the first state—there is support and great pride in the Taylor Plan. It exemplifies the American Dream—be able to go to college and do well (i.e. graduate), because you have taken the core courses (i.e., Success Curriculum), maintained a C+ or better grade point average, have a national ACT test score of 17, and stay out of trouble (i.e. no felony convictions).

19. Wyoming's Status Is?

The Wyoming legislative approved the Hathaway Plan concept in 2005 and the actual law, with standards and thresholds, in 2006. It has been called a very proud moment for Wyoming. The scholarship program is an opportunity for virtually every Wyoming high school graduate—but they must “earn the right” by doing well. It is not an entitlement. Rather it is a path not just to get into college, but for post secondary success if in high school you do the work and are prepared. This “private sector” reward concept is imbedded in the Hathaway Plan philosophy.

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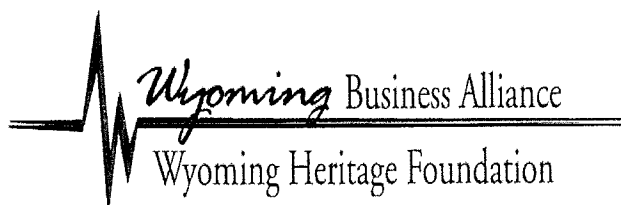
*Information sources for this Briefing
Paper:*

*Dr. James Caillier, Executive Vice President
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TOPS, Louisiana Tuition
Opportunity Program for
Students - Report to the Louisiana
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TOPS Program Brochure

*National Information Center for
Higher Education Policy Making
and Analysis*

Information about the Taylor Plan can be obtained from Dr. James Caillier, Taylor Foundation, New Orleans, Louisiana, telephone (504) 589-0470.



Taylor Plan

Louisiana TOPS Education Backgrounder

May 21, 2008

Education is essential for a strong economy and individual advancement. Louisiana's commitment to education and the TOPS program is a testament to the belief that despite horrendous hurricanes and economic setbacks, progress and hope for the future persist.

Louisiana was hit by four major hurricanes between 2003 and 2005. Hurricanes Rita and Katrina in 2005 were devastating. Of the top ten U.S. disasters, Katrina at \$30 billion was three times greater than the 9/11/01.

Louisiana's population decreased by 250,000 after the 2005 hurricanes. The state's population in 2005 was 4,507,331; in 2007, 4,293,204, including the return of some 50,000 residents. Louisiana for a number of years has had minimum population growth. Between 1990 and 2005 the population increased by 287,358 a scant 6% in 15 years.

In the 2004-2005 school years, there were 42,450 TOPS (Taylor Plan / Tuition Opportunity Program for Students) students enrolled in Louisiana's two year, four year and technical schools. In the 2007-2008 school year, the number was 41,949, a slight decline from the 2004-2005 mark because of the 2005 hurricanes. For this academic year (2007-2008), the total scholarship expenditure is set for \$116,068,652—the average payment being \$2767. Between 1998 and 2007, the number of TOPS students grew from 23,509 to 41,949—78%.

Baseline Summary

- Despite a population growth of just 4% between 1998 and 2005 (pre-Katrina / Rita), the number of TOPS students increased from 23,509 to 42,450—an increase of 81%.
- Hurricane Katrina and Rita resulted in the displacement of 96,631 K-12 students.
- In 2007 66% of high school graduates completed the Core success curriculum for college (27,230 of 41,370 graduates); in 2003, 56% (25,546 of 45,226).
- The high school graduation rate has increased from 61% in 1991 (48th in the nation and 11% below the national rate of 72%) to 69.4% in 2004 (39th and 5% below the nation). In 2006 it dropped to 64.8%—no doubt a hurricane causal factor.
- College readiness improvement between 1991 and 2002—from 22% to 35%—was second best in the nation.
- High School graduates eligible for and enrolled with TOPS has improved since Katrina—91% in 2004 (pre-Katrina) – 83% in 2005 (years of Katrina) – 88% year after Katrina.
- ACT average scores for first-time post-secondary freshman increased from 19.4 in 1996 to 20.1 in 2006—above the minimum ACT standard of 19 for college preparedness.

- Persistence of TOPS students is much better than non-TOPS students—4th year for the class that entered 2003 is 77%--well above the national average. It was 42% for non-TOPS students.
- The TOPS program is administered by the Louisiana Office of Student Financial Assistance. According to Richard Ordal, (225) 922-1043, TOPS has 14 employees. Its operational budget of \$1.296 million (\$31 per TOPS student) represents 1% of TOPS' \$119,121 million budget for the current school year. TOPS' has two additional employees for the Go Grant Program and Dual Enrollment Program.

High School Performance

High School enrollment in Louisiana declined by 4% between 1990 and 2000. The percent of minority students for the school year 1999-2000 was 51%, versus a national rate of 38%; percent of children under 18 years in poverty (1999) was 26% versus 19% nationally. College readiness increases for Louisiana high schoolers has surpassed the national rate—35% versus 34%.

Core Curriculum

- 66% of 2007 high school graduates took the more rigorous Core curriculum versus 56% in 2003.
- 64% of Louisiana students scored a 3 or higher on the advanced placement exam versus 61% nationally.

ACT Scores

- **Louisiana** 1991 – 19.4; 1999 – 19.6; 2006 – 20.1; **U.S.** 1991 – 20.6; 1999 – 20.0; 2006 – 21.1.
- 79% of all Louisiana high schoolers took the ACT test in 2007; Montana's rate in 2004 was 56%; the national rate 40%.
- Over the past 5 years Louisiana's state composite has risen .5 points versus nationally .4.
- 71% of Louisiana's ACT test takers in 2001 completed ACT's Core curriculum versus 60% nationally.

Graduation Rate

- Louisiana: 1991 – 61%; 2003/2004 – 69.4%.
U.S.: 1991 – 72%; 2003/2004 – 74.3%.
- For the time frame, Louisiana's improvement of 7.4% was one of the best in the nation.
- All young adults with a high school diploma or GED: 82% Louisiana; 85% U.S.

- **By Sector**

White

African-American Graduation Rates

Louisiana	1997 – 63%; 2002 – 69%	Louisiana	1997 – 52%; 2002 – 56%
U.S.	1997 – 76%; 2002 – 78%	U.S.	1997 – 54%; 2002 – 56%

College Readiness

- Louisiana 1991 – 22%; 2002 – 35 %
U.S. 1991 – 25%; 2002 – 34%
- Louisiana's improvement of 13%--from 22% to 35%--was the second best in the nation

College Preparation

- 56.5% of high school graduates in 2003 took the Core versus 65.8 in 2007
- The number taking the Core has increased despite devastating hurricanes, loss of student population and minimum state population growth.
- Eligibility for TOPS awards continues to grow – from 14,797 in 2003 to 15,273 in 2005. It declined slightly in 2006 due to Katrina.

College Performance

The number of college students in Louisiana with TOPS Scholarships continues to grow—despite devastating hurricanes, overall population decreases, and increases in Core curriculum rigor. ACT scores have increased from 19.4 to 20.7—to a level above the minimum predictor for college success and yet another positive attribute of the core high school success curriculum. Almost 90% of high school graduates eligible for TOPS stay in Louisiana for their college education.

Enrollment Growth

- Between 1989 and 1999 the percentage of adults earning post-secondary and technical degrees increased by 24% in Louisiana versus 7% in the U.S.
- Between 2004 and 2005, higher education enrollment in Louisiana declined by 19.7% due to Katrina and Rita.
- In 2004 Louisiana had 214, 144 students in higher education; in 2006 195, 380—a decline of 18, 764, or 9%, as a result of the hurricanes.

Admissions Criteria

- 81.9% of the Fall 2004 entering class met 2005 admission criteria.

- Anticipated even better preparation for Fall 2005 according to the Board of Regents.

Student Retention

- Between the 1996-1997 school year and 2001-2002 year, freshman to sophomore year retention increased from 71% to 75%.
- For students who enrolled in post-secondary in 2003, 88% returned for their second year versus 60% for those without TOPS.
- For fourth year students in 2007, 77% were still in college versus 42% for non-TOPS counterparts.

Degrees Awarded

- Between 1994-1995 school year and 2003-2004, the number of degrees and certificates awarded annually increased from 22,904 to 26,449—a 15% increase.
- 59% TOPS students at four year institutions graduate within six years, versus only 25% of non-TOPS students.

Funding

- Between 1983 and 1993 Louisiana ranked 48th in the nation in percentage of post-secondary funding increases. For the years 1994-2002, the state was second in the nation.

Brain Drain

Louisiana's challenges in terms of keeping college graduates in the state are no different than other historically slow growth and traditional industry (i.e., moderately dependent economy versus diversified economy) states across the country, including Montana. Since the 1980's Louisiana has struggled with mediocre population growth and image problems. That has changed, and continues to change as evidenced by efforts to restructure the economy and higher education endowed chairs (33) and professorships (265) at LSU.

- The 2005 hurricanes decreased jobs in the state to 1997 levels. By the end of 2007 the state was within 3700 jobs of 2005.
- By mid – 2008, with a projected increase of 37,700 jobs (1.9%), the state will set new employment records.
- A unique program through Louisiana State's E.J. Ourso College of Business promotes jobs for Louisiana graduates—www.LouisianaGrads.com
- The oil and gas industry is booming and is hiring college graduates.

- According to Cathy Breaux (Louisiana Economic Development Department (225) 342-5375) TOPS graduates want to stay in Louisiana, but jobs for graduates continue to be a problem.
- Louisiana (43rd place), like Montana (38th) and nine other states, has a moderately dependent economy versus states like Georgia (11th) and Texas (13th) which have moderate diversification.

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